

CHAPTER 1] INFRASTRUCTURE

Introduction

One of the most important functions of government is to provide a well-maintained infrastructure system that includes roads, air and water ports, public utilities, water facilities, public buildings, and schools. This public infrastructure is essential to delivering public services, fostering economic growth, and promoting sustainability. Infrastructure as proposed by the California Performance Review (CPR) will consist of eight core activities: housing, transportation, water, energy, infrastructure finance, research and development, planning, and asset management.

After a comprehensive review of the state's infrastructure programs, the CPR concluded that California lacks an integrated infrastructure policy; infrastructure projects are not centrally managed or coordinated; infrastructure investment lacks stable funding; and multiple agencies involved in infrastructure make it difficult to complete projects.

To address the state's infrastructure shortfalls, CPR identified and researched 38 stand alone issues that contain 126 recommendations. The recommendations collectively will:

- Create a clear line of accountability to the Governor.
- Consolidate all 25 infrastructure decision-making entities into one integrated department.
- Propose changes to integrate effectiveness and efficiencies into the daily aspects of infrastructure development, management, finance, construction, and operations.

CPR estimates these recommendations will result in \$3.32 billion in savings over the next five years that can be re-invested in the state's infrastructure programs.

CPR COMMISSION HEARING

The CPR Commission hearing on infrastructure was held at the University of California, Riverside on August 13, 2004. Three panels of expert witnesses, representing a broad array of public opinion, testified before the Commission. The panels were organized by the following subject areas:

- Transportation
- Hospital, Housing, and School Construction
- Water and Energy

In total, 16 witnesses presented testimony to the Commission.

SUMMARY OF PUBLIC COMMENT

Infrastructure is a high priority with the public. Most importantly, the public recognizes and supports protecting existing transportation financing and finding new revenue streams to maintain and construct future infrastructure projects. The public strongly supports allowing public entities to use alternative project delivery methods to deliver quality infrastructure projects. Identification and selling of surplus state property generated some opposition that can be directly attributed to a statement in the report that categorized the Orange County Fairgrounds as underused state property. Otherwise, there was support for streamlining this process.

In total, 320 comments were received on the Infrastructure recommendations of the CPR Report.

INF 01

USE OF FEW MODELS FOR PROJECT DELIVERY RESULTS IN MISSED OPPORTUNITIES FOR LOWERING COST AND SPEEDING DELIVERY

ISSUE

Most of California's infrastructure projects are delivered by the traditional design-bid-build process, with the selection of the building contractor based on the lowest price submitted. The state should be able to use a variety of alternative project delivery methods including design-sequencing, design-build, design-build-operate, and public-private partnerships that will save the state both time and money.

SOLUTIONS

- *Allow all public entities to use alternative project delivery methods to construct infrastructure projects including but not limited to, design-sequencing; design-build; design-build-operate; public-private partnerships; and job order contracting.*
- *Establish criteria for deciding the most appropriate contracting method.*

INF 01

"An expedited project delivery process fosters better mobility and benefits the motoring public by way of public congestion relief."

Paula LaBrie
Legislative Counsel
California State Automobile
Association - Northern
California
Written Testimony

PUBLIC COMMENT

18 comments were received for this recommendation. 17 comments expressed support. 1 comment expressed opposition.

Pros

- The expedited project delivery process fosters better mobility and benefits the motoring public by relieving traffic congestion.

- State and regional transportation authorities should be given the opportunity to utilize the most appropriate methodology for each infrastructure project.
- Private sector expertise should be used for project management and development of projects for areas where the state is lacking expertise.
- Competitive bidding with qualifications submitted under penalty of perjury provides public entities with a method of recourse for the submission of false qualifications.
- Design-build can achieve major savings in time and cost.
- The various contracting departments should work in unison to develop criteria and models for the correct selection of projects for each category.

Cons

- Alternative project procurement methods may eliminate competitive bidding and institute a highly subjective selection procedure that has historically led to favoritism, waste, and delay.

Considerations

- California's policy makers should consider whether the project delivery methods commonly used in the private sector should be available to all public entities.
- Industry involvement is needed to develop project delivery models. An Industry Advisory Council should be created as the forum to provide input to the state.
- Require functional definitions of non-compete clauses and also require that public-private franchises not preclude contracting flexibility.
- Contractors should be required to automatically submit certified payrolls and proof of workers' compensation payments.
- Both prime and subcontractors should be subject to a prequalification requirement that includes a demonstrated safety record and health care for workers.
- Safeguards should be put in place to ensure that California contractors and California workers build California projects.
- For regional projects, establish a private sector process where large projects can be led and developed in a public-private partnership.

Creative funding models, similar to those being used in Texas, Maryland, and Virginia, should be reviewed by California.

- An area where design-build specifications could be implemented rather quickly and promote the use of innovative technologies is in maintenance projects. These projects are typically straight forward with few environmental issues. They usually involve making repairs and performing protective maintenance to extend the life of existing facilities. Timing of these projects is critical to getting the most benefit.

INF 02

ADOPT PERFORMANCE AND WARRANTY SPECIFICATIONS TO IMPROVE THE QUALITY OF HIGHWAY CONSTRUCTION

ISSUE

California is unable to take advantage of best practices and technologies that would reduce lifecycle costs, and potentially lead to higher quality facilities because warranties for highway construction projects have not been widely deployed. The state should use warranty and performance specifications for highway construction projects.

SOLUTIONS

- *End the “pilot” status for warranty specifications of asphalt concrete pavement, and make performance specifications standard practice.*
- *Work with Federal Highway Administration (FHWA) and the American Association of State Highway and Transportation Officials Committees and participate in activities related to performance specifications, and adopt findings from those groups.*
- *Establish a multi-disciplined team to streamline the specification approval process to eliminate duplicate work, and seek opportunity for parallel reviews.*
- *Establish a policy that will allow for a performance specification that has been adopted by another state, and approved by FHWA, to be available for use as a special provision.*

INF 02

“Performance-based specifications will bring out the best in contracting methods. As long as the specifications dictate the recipe, warranties will not work, especially in rehabilitation work.”

David G. Ackerman
Legislative Advocate
Associated General
Contractors of San Diego
Written Testimony

PUBLIC COMMENT

5 comments were received for this recommendation. 4 comments expressed support. 1 comment expressed opposition.

Pros

- The best way to improve the specification development process is to adopt performance standards and warranties. These recommendations are consistent with trends at the federal level and in many states.
- Performance-based specifications will bring out the best contracting methods, as long as the performance specifications dictate the formula.

Cons

- Industry and departments should be allowed to use performance and warranty specifications where appropriate. Performance specifications should not be mandated as standard practice.
- Warranty specifications can be problematic in rehabilitation work.

Considerations

- Performance and warranty specifications could be implemented rather quickly in maintenance projects.
- Allow the contractor to include a warranty as part of the bid, using the inclusion of a warranty and the length of the warranty as criteria in the contractor selection process.

INF 03

THE STATE IS NOT TAKING ADVANTAGE OF ALL OPPORTUNITIES TO REDUCE THE COST OF CONSTRUCTION CONTRACTS

ISSUE

The state's insurance and bonding requirements for large state construction projects result in unnecessary costs. The state should explore using different methods to obtain sufficient insurance for its large construction projects and lower some of its bonding requirements.

SOLUTIONS

- *Utilize Owner Controlled Insurance Programs (OCIPs) for infrastructure projects.*
- *Establish a pilot program that revises state performance bond requirements, including lowering them where appropriate.*
- *Amend Government Code Section 11007.7 to specifically authorize the establishment of a Builders Risk Insurance Program, and to allow state departments*

administering capital outlay projects to participate in the Builders Risk Insurance Program whenever possible.

PUBLIC COMMENT

6 comments were received for this recommendation. 4 comments expressed support. 2 comments expressed opposition.

Pros

- OCIPs can lower insurance costs on projects for contractors and/or public entities.
- OCIPs provide a comprehensive safety program that in many cases covers the entire workforce, and improves safety through training, awareness, and better inspections.
- A Builders Risk Insurance Program, provided that the cost is not passed on to the contractor, is a good idea. If the cost is passed on to the contractor, the contractor should be given the option to either pay for the state program, or purchase his/her own equivalent insurance protection.

Cons

- OCIPs are not appropriate for most infrastructure projects unless they are extremely well crafted and well managed. Most OCIPs are complicated, leave holes or gaps in coverage, and do not integrate well with the contractor's existing insurance program.

Considerations

- Requiring a bond with each contractor's bid and subsequent performance and payment bonds from the successful bidder is the simplest and best way to ensure the quality and performance of contractors performing work for the state. Lowering bond requirements would only be appropriate for those projects that are not complicated or critical.
- Prior to lowering the performance bond requirement to less than 100 percent of the bid price of the project, suggest meeting with representatives of the surety industry.
- The state could also reduce the insurance burden created for a publicly supervised construction insurance pool with strict inspection requirements and construction oversight.

- OCIPs specifications should include a safety requirement.
- OCIPs are appropriate for habitation uses such as dormitories and residential housing, because regular insurance coverage is difficult or impossible to obtain for these uses.
- To reduce the cost of financing housing developments, the state could provide mortgage insurance for multifamily housing or rental housing loans.

INF 04

PERFORMANCE MEASURES ARE NEEDED IN TRAFFIC OPERATIONS

ISSUE

Performance measures for traffic operations performance typically are used to provide information to the public on highway conditions and to provide information to decision-makers involved in short- and long-term planning. In traffic operations, such measurements may include the number of vehicles on a specific route, the travel time, and the number of traffic incidents. The state needs to implement a performance-based measurement system to measure the department's progress toward achieving its goals of transportation system mobility and reliability and to make educated spending decisions for future transportation needs.

SOLUTIONS

- *Implement the Transportation Management System (TMS) Master Plan.*
- *Increase the priority for funding TMS projects in the State Highway Operation and Protection Program and the Interregional Transportation Improvement Program for Fiscal Year 2005-06 and thereafter.*
- *Include TMS projects in the Regional Transportation Improvement Program.*
- *Expand the use of public-private partnerships to implement the TMS Master Plan activities through performance-based contracts.*
- *Develop an agreement stipulating that TMS components constitute transportation projects, not Information Technology (IT) projects, and are not subject to the same feasibility study and approval process as IT projects.*
- *Optimize results by strong coordination and integration of TMS with local and regional intelligent transportation programs.*

PUBLIC COMMENT

All 8 comments received support this recommendation. No opposing comments were received.

Pros

- Measurable goals and objectives are necessary to determine if traffic congestion relief efforts, the various modes of transportation, and transportation management systems are meeting the needs of commuters and enhancing overall mobility.

Cons

- No testimony submitted.

Considerations

- The effect of increasing the priority of TMS projects over other high-priority projects should be evaluated.

INF 05

NEED FOR HIGH-OCCUPANCY/TOLL FACILITIES TO REDUCE TRAFFIC CONGESTION AND GENERATE REVENUE TO COVER PROJECT COSTS

ISSUE

Managed lanes are dedicated lanes or roadways that preserve high-speed, reliable travel through various strategies; high occupancy vehicle (HOV) lanes and high occupancy/toll (HOT) lanes are types of managed lanes. To reduce traffic congestion and generate revenue, the state may need to incorporate managed lanes into more state highways.

SOLUTIONS

- *Determine the circumstances and conditions under which toll projects can be financed, developed and implemented.*
 - *Develop public-private partnerships for the implementation of high occupancy vehicle toll projects.*
 - *Authorize the Bay Area Transportation Authority to implement value pricing at the toll bridges under their jurisdiction.*
 - *Specify that the cost of maintenance of all toll bridges under the jurisdiction of Caltrans should be paid out of toll revenues.*
-

PUBLIC COMMENT

8 comments were received for this recommendation. 2 comments expressed support. 3 comments expressed opposition. 3 comments were neutral.

Pros

- HOT lanes should be examined as a means to increase real and effective highway capacity.

Cons

- HOV lanes are limited for use by vehicles carrying two or more occupants, opening the HOV lanes for use by all vehicles will increase traffic flow.
- HOT lanes should not be implemented primarily to raise revenues, even if revenues are used to cover project implementation.
- The proposal to shift Bay Area toll bridge maintenance from the State Highway Account to toll bridge revenues is an entirely separate issue than described in the report. It should not be regarded as a reason for implementing, or a cost of implementing, value pricing or HOT lanes.

Considerations

- Existing general-purpose highway facilities, paid for with past voter approved tax increases or other forms of funding supplied by the public, should not be tolled since the public has already paid for them.
- The proposed location of tolled facility projects should consider the proximity of free alternate routes that do not forcibly modify traveler behavior.
- Tolled facility projects should consider the economically disadvantaged when setting the levels of variable pricing.
- If toll facilities are privately owned and operated, the owners must ensure that the public interest is protected, including assuring that critical safety and capacity improvements can always be made.
- The case-by-case consideration of HOT lanes, as suggested in the report, may also need to consider local traffic conditions and regional support.
- Each proposal must take into account and propose effective mitigation for adverse effects, such as the diversion of traffic onto secondary routes to avoid tolls.

- The California Transportation Commission and regional agencies should have some role in approving toll projects.
- Recommend proceeding with only a few carefully selected pilot projects at this time, with evaluation providing insights into whether the public approves of road pricing.

INF 06

HIGH-PERFORMANCE BUILDING DESIGN

ISSUE

Current state building design and operation standards do not incorporate cost-effective and high-performance building design practices, potentially costing the state millions of dollars each year. The state should adopt construction and operation standards that will ensure taxpayers are receiving the best value for their investment over the life of a building, while protecting the environment and providing a high quality work place.

SOLUTIONS

- *Require every future state building to be built to the standards of the Leadership in Energy and Environmental Design (LEED™) Silver Rating or higher.*
 - *Develop high-performance building design practices for the construction of state buildings (i.e. the state's "capital outlay program") focusing on life-cycle cost savings, resource efficiency, extending the useful life of facilities, and incorporating environmentally friendly practices. All state agencies involved in facility construction should be directed to implement these standards.*
 - *Develop a series of economic and environmental measurement protocols to display the performance of the state's buildings.*
 - *Issue an annual report detailing the activities resulting from this executive order, including, economic and environmental performance indicators.*
-

PUBLIC COMMENT

All 8 comments received support this recommendation. No opposing comments were submitted.

Pros

- High-performance facilities place an emphasis on creating an environment that is resource efficient, healthy, comfortable, well lighted, and contains the amenities that make it a quality work place or learning environment.

- Any additional construction or design costs incurred to meet LEED Silver Rating would be re-paid many times over using life-cycle cost savings.

Cons

- No testimony submitted.

Considerations

- Life-cycle costing should be applied to transportation infrastructure.
- The state needs to hold agencies accountable for the maintenance of their capital facilities. This accountability would require better reporting of the condition of facilities and five-year plans to eliminate deferred maintenance backlogs.

INF 07

THE STATE NEEDS TO RESTRUCTURE THE ADMINISTRATION OVER THE STATE WATER PROJECT

ISSUE

The State Water Project, managed by the Department of Water Resources (DWR), is the largest state-owned, multi-purpose water project in the country. The project is critical to the resources and economy of the state, but there are impediments to its efficient operation as a major water and power utility. The state needs to take immediate actions to remove the impediments affecting the operations of the State Water Project, while maintaining environmental protections and standards, to ensure the continued reliability of the state's water delivery system.

SOLUTIONS

- *Establish the State Water Project (SWP) as a separate authority within the Resources Agency, or its successor, to better focus the administration of this critical water infrastructure.*
- *Establish civil service classifications and salary levels to recruit and retain individuals with the special skills necessary to purchase, trade, sell power and to be able to efficiently schedule water and power deliveries.*
- *Contract with the Joint Powers Authority formed by the State Water Contractors in cases where it is the best alternative to provide specialized services and skills for SWP.*
- *Continue turning over limited portions of the aqueduct system to the State Water Contractors to operate and maintain if it is in the best interests of the public and the environment.*

PUBLIC COMMENT

20 comments were received for this recommendation. 10 comments expressed support. 10 comments expressed opposition.

Pros

- Establishing the SWP as a separate authority within the Resources Agency would enable the SWP to run more efficiently, like a public utility.
- The SWP should operate as a separate authority representing the contractors who cover all the costs associated with the SWP.

Cons

- Turning over state water facilities to state water contractors who are not subject to the public meeting requirements could be problematic and potentially reduce public review and input of SWP operations.
- The SWP is a public utility which transports a public resource. Public agencies, accountable for protecting the public trust and all beneficial uses of California's water, are the only appropriate authorities to leverage these significant responsibilities.
- Turning over state water facilities to contractors may not afford the same level of environmental protection. Adequate state oversight would be essential to ensure that state facilities do not turn into local for-profit centers for water contractors at the expense of the taxpayers and the environment.

Considerations

- The SWP should instead be reconstituted as a joint powers authority between the state and the contractors who currently receive water from the project.
- Putting the SWP in the hands of contractors runs the risk of it no longer being viewed as a public benefit for the state.

INF 08

"Expenditures for environmental objectives should be subjected to the same cost-benefit and cost efficiency analysis as water supply projects, and it is critical that taxpayers know what the costs and results of the various CALFED programs has been."

Safe Food and Farms
CPR Coalition
Written Testimony

INF 08

CALFED BAY-DELTA PROGRAM IS NOT FUNCTIONING EFFICIENTLY

ISSUE

The CALFED Bay-Delta Program is behind schedule and lacks both performance measures that provide real accountability and a long-term finance plan, which makes it difficult to obtain federal funds. A financial and performance audit of the program should be conducted that can be used as a basis for developing quantifiable performance measures and prioritizing implementation actions with budgets tied to performance measures.

SOLUTIONS

- *Perform an independent financial audit of the entire program by a private auditor under contract with the California Bay-Delta Authority (Authority). Develop and implement quantifiable performance measures for contract management, oversight and reporting based on the audit results.*
- *Conduct the adaptive management-or technical performance-analysis under the direction of the CALFED Independent Science Board.*
- *Give the California Bay-Delta Authority the ability to approve all strategic plans, quantify performance measures, and prioritize implementation actions and budgets.*
- *Complete a long-term financing plan.*

PUBLIC COMMENT

8 comments were received for this recommendation. 6 comments expressed support. 2 comments expressed opposition.

Pros

- The recommendation to give the Authority more responsibility for setting its goals and priorities along with a strategic plan will help determine how the Authority will proceed in the future. Since this is a delicate state-federal partnership, the Authority needs to make sure the federal government is fully invested in the process.
- The recommendations support moving vigorously toward achieving the four goals of the CALFED Program—improving water supply reliability; water quality; levee system integrity; and ecosystem health—with significant attention on reducing conflicts in the system.

Cons

- The recommendation may inaccurately suggest that CALFED's primary accomplishments have been in environmental protection. CALFED has provided water users with very substantial direct and indirect benefits beyond the environmental benefits identified in the CPR report.
- An independent financial audit of the entire program as recommended by the CPR report would be extremely costly and time-consuming.

Considerations

- There should be a more comprehensive look at the CALFED Program to determine whether the broad goals of the CALFED Program are being met, not just a project-by-project audit.
- Review the relationship between CALFED and the state implementing agencies to determine if the Authority, through CALFED, is effectively coordinating state-federal water efforts.
- The Governor's office should be involved in the Authority, as well as at the program level. Coordination between the Governor's office and CALFED's financial department is a logical next step of involvement.
- Instead of performing a costly audit, CALFED should engage in interagency dialogue, meaningful public participation, and report regularly to the Legislature.

INF 09

CALIFORNIA NEEDS STRONG WATER POLICY

ISSUE

California needs strong water policy leadership to resolve conflicting policies among state agencies and boards, water agencies, environmental interests, and other public and private entities.

SOLUTIONS

- *Update the California Water Plan (CWP) concept.*
- *Integrate the CWP into a state general plan process.*
- *Promote regional water planning.*
- *Reinstitute the Water Policy Council.*

INF 09

"We support the State developing a strong sustainable water policy that encourages regional planning and integration of needs and benefits in a region. The regions plans combined with needs that are identified from beyond the region would supply an excellent basis for a state water policy."

Daniel B. Cozad
Acting General Manager
Santa Ana Watershed Project Authority
Written Testimony

PUBLIC COMMENT

15 comments were received for this recommendation. 8 comments expressed support. 7 comments expressed opposition.

Pros

- A CWP would improve water supply and water quality and improve environmental priorities for the state.
- Incorporating the CWP into a state general plan process would be more efficient and would result in improved water deliveries.
- The CWP should be developed as a document that supports regional efforts to solve water supply problems. Regional plans would better serve the public, would promote greater efficiencies, and would save local and state dollars, since local and regional agencies are closest to the people being served and are best able to ascertain and meet needs.
- The CWP can be a valuable tool for the public and for lawmakers to determine how much unallocated water currently exists and how to use it for the greatest public benefit.
- An effective long-range statewide water plan that has authority, funding, and includes a realistic implementation plan, will help address the state's future water needs.
- The reinstitution of the Water Policy Council has the potential to provide the necessary forum to resolve conflicting policies.

Cons

- Moving state water policy discussions from CALFED, an open forum in which the public actively participates, to a Governor's Water Policy Council, in which the public has no voice, appears to limit public participation in a critical resource issue.
- The Governor's office should have representation in establishing water policy and be involved in interagency collaboration. The stakeholder process should not be undone by revisiting the outdated Water Policy Council.
- The focus on an expanded SWP is not sound water policy; increasing regional self-reliance and integrated regional planning are much more reliable and cost-effective policies for California water.

Considerations

- It is not clear how integrating the CWP into a state general plan process would result in greater efficiency, although the water plan needs to be linked with land use plans, both at the local and state level.
- The state needs to be a strong financial and planning partner with local agencies to ensure uniformity and equity in the development of the regional plans and to assure that funding is adequate to assist in the implementation of the regional plans.
- The state should take a leadership role in planning and implementing those features of the state's water infrastructure that can only be met through statewide efforts.
- One of the recommendations emphasizes regional planning, but it is unclear whether this approach is recommended as an addition to or replacement of current planning efforts. Regional water planning, while a potentially useful addition to ongoing efforts, can in no way replace state planning when key resources, such as the Delta, are affected by actions throughout the state.
- Regional water planning must include capacity building at the local level, be representative of the demography of the region, and address the needs of the traditionally underrepresented.
- The recommendation that the Governor work with the Legislature to promote regional water planning directly contradicts the recommendation to eliminate the local water boards. It is vital to democracy that people have a voice at the local level on critical water issues through their regional boards rather than through mega-agencies.
- The state needs a strong water conservation program which may increase supply.

INF 10

REDUCE THE STATE'S LEASING COSTS

ISSUE

The state's requirements for leasing privately owned property are unnecessarily burdensome and costly. The state should reduce the amount it spends on leased property by removing overly restrictive lease requirements and streamlining its process for executing lease agreements.

SOLUTIONS

- *Expand telecommuting opportunities for state employees.*
- *Authorize appropriate local permit-issuing agencies to review plans and construction sites for fire code compliance on state-leased property.*
- *Transfer responsibility for Americans With Disabilities Act (ADA) compliance of state-leased facilities from the Division of the State Architect to the appropriate city or county entities responsible for code compliance and permitting.*
- *Allow the state to enter into leases for up to 10 years without having to notify the Joint Legislative Budget Committee when the property is needed long-term and the extended lease would be economical for the state.*
- *Repeal the Department of General Services' (DGS) policy requiring additional evaluation of state-leased facilities for seismic safety, above that which is required by law for private sector leased facilities.*
- *Change DGS' sustainability or "green building" requirements for state-leased facilities from prescriptive to performance-based.*
- *Use low-interest rate bond funds to refinance state leases in which the state has incurred debt for tenant improvements at high-interest rates.*
- *Work with each agency to measure its lease costs per employee and to develop performance standards to lower these costs.*

PUBLIC COMMENT

1 comment in support of this recommendation was received. No opposing comments were received.

Pros

- Allowing local jurisdictions to be responsible for plan review, fire code compliance, ADA compliance, other code compliance, and permitting on property leased by the state would reduce lease process time, reduce project costs, and eliminate potential permitting and code conflicts between the state and local agencies.

Cons

- No testimony submitted.

Considerations

- No testimony submitted.

INF 11

TAPPING SURPLUS PROPERTY ASSETS

ISSUE

The state's laws and processes for identifying and selling underused and surplus state properties are ineffective. State law should be amended and its processes streamlined to increase property sales and revenue to the state.

SOLUTIONS

- *Empower the State and Consumer Services Agency, or its successor, to declare state assets surplus and direct their sale.*
 - *Amend state law to require the sale of state property at fair market value.*
 - *Amend state law to eliminate the right of first refusal for surplus property to any non-state agency.*
 - *Appropriate continuous funding to evaluate and sell surplus property.*
 - *Permit the State and Consumer Services Agency, or its successor, to enter master service contracts for consulting services required to study and sell surplus property.*
-

PUBLIC COMMENT

25 comments were received for this recommendation. 4 comments expressed support. 19 comments expressed opposition. 2 comments were neutral.

Pros

- The recommendations will improve the state's real asset and property management and increase the sale of surplus property.
- State agencies should be the only public entities given the right of first refusal on state surplus property.
- In order to evaluate and sell surplus property in a timely manner, all agencies that use properties for a specific purpose, other than open space, should be required to use a specific set of guidelines to review their inventories and dispose of properties that are not being used.
- The state should dispose of excess real estate as efficiently as possible. Selling these properties would net hundreds of millions of dollars for the state treasury and would place these properties back on the property tax rolls for more productive use.

Cons

- Lands held by conservancies for park, recreation, conservation, and open space purposes should not be subject to the “asset maximization” strategies imposed by this policy on other real estate holding entities.
- The State and Consumer Services Agency (or its successor) does not have the expertise to determine whether a natural resource or recreation land is no longer needed for its intended purpose. State and Consumer Services should sell surplus Highway Patrol Offices and unneeded state buildings and parking lots, but should not be involved in determining surplus natural resource land.
- The state should not be in competition with commercial and rental real estate markets.
- Eliminating the right of first refusal for local governments could adversely impact their finances. The ability to purchase low-cost state surplus items has reduced purchasing costs for local governments, particularly rural counties, for items such as vehicles and public works equipment.
- The Orange County Fairgrounds is not underused state property. The facility provides cultural and educational programs for the public, and economic and business opportunities for local residents.
- The fairgrounds play a role in disaster preparedness; Orange County annually stages its required disaster preparedness drills at the fairgrounds.

Considerations

- Recommend amending Government Code Section 11011.17 to permit the University of California to report surplus property directly to the Governor, Department of General Services, the Legislature, and the public via the Internet.
- Urge caution in identification and disposition of property acquired for transportation projects to assure that it will not be needed for any transportation use in the future.
- All proceeds of sale of properties acquired with State Highway Account funds should be returned to the State Highway Account.

INF 12

IMPROVE EFFICIENCY OF EXTRA ENFORCEMENT PROGRAM IN HIGHWAY WORK ZONES WITH FEWER RESOURCES

ISSUE

The California Department of Transportation (Caltrans) uses the California Highway Patrol (CHP) to provide extra enforcement services in highway construction and maintenance work zones, primarily for speed enforcement. There may be a more efficient or cost-effective way to perform this function, whether it is conducted by patrol units or through automated enforcement.

SOLUTIONS

- *Develop a three-year, performance-based contract with the CHP, or its successor, for extra enforcement services.*
 - *Transfer the Construction Zone Enforcement Enhancement Program and Maintenance Zone Enforcement Enhancement Program funding from the State Highway Account to CHP, each fiscal year as determined by contract provisions. CHP should use all funds to hire additional officers designated to provide extra enforcement in Caltrans construction and maintenance work zones.*
 - *Amend California Vehicle Code Section 40802 to stipulate that an engineering and traffic survey is not required to use radar devices in a work zone if warning signs are displayed.*
-

PUBLIC COMMENT

2 comments in support of this recommendation were received. No opposing comments were submitted.

Pros

- Enhanced enforcement to ensure safety is needed on all roadways, not just in construction zones.
- More officers patrolling the highways in general would seem to offer greater protection to a broader number of people, including highway workers.

Cons

- No testimony submitted.

Considerations

- Recommend that CHP's role in congestion relief (by rapidly clearing incidents) be incorporated into the report.

- Caution against waiving established and reliable requirements for engineering and traffic speed surveys in construction and maintenance areas (or elsewhere), without ensuring adequate safeguards to protect and inform motorists of changing speed conditions.

INF 13

THE STATE OWNS SEVERAL ROUTES THAT IT SHOULD RELINQUISH TO LOCAL AGENCIES

ISSUE

The state owns, maintains, and operates about 50,000 lane-miles of highway. Of the total, about 6,500 lane-miles should be relinquished to local agencies, saving the state the ongoing costs of maintaining these facilities.

SOLUTIONS

- *Develop a statewide list of routes for relinquishment using the 1995 Caltrans study and its criteria as a starting point.*
- *Provide a long-term reduced staffing and operating expense plan for Caltrans' various divisions that perform duties involving, but not limited to, highway maintenance, legal, encroachment permits, and administration.*
- *Hold a series of public meetings to receive comment on the proposed relinquishments.*
- *Produce a final list of routes to be relinquished.*
- *Forward the recommended relinquished routes to the Governor for inclusion in the Budget. The relinquishment package would be an all or nothing proposal, consistent with existing law that does not provide funds to local agencies for future maintenance costs, tort liability, or other factors impacting the operation of the route.*

PUBLIC COMMENT

10 comments were received for this recommendation. 1 comment expressed support. 7 comments expressed opposition. 2 comments were neutral.

Pros

- State highway relinquishment is long overdue and needs to be done sooner rather than later.

- The current system of relinquishment is too time consuming and cumbersome.

Cons

- Without assurances of financial support that adequately and reliably fund relinquished routes, this proposal will add to the existing financial problems of local governments.
- Relinquishment would do nothing to reduce public expenditures or meet public needs. If operating, maintenance, and liability expenses are not the responsibility of the state, the same costs will fall to local agencies. The relinquishment of many sections of road will probably bring upfront costs to the state as well as the longer term savings.
- Relinquishment would require new legislation. Under existing law, the state cannot force relinquishment on an unwilling local agency except where a section of old state highway is being superseded by a new alignment.

Considerations

- The 1995 list is a good start but was developed by Caltrans based solely on minimizing Caltrans costs. The state should consider using a process similar to the federal base closure commissions to establish criteria to determine which roads should remain the state's responsibility and which roads that local agencies should maintain. The conclusion should be based on what is most efficient for the tax payer who pays both local and state taxes. This process could also determine the condition of the roadways at the time of relinquishment.
- Locals should be able to propose moving roads to the state roadway system if they meet certain performance criteria.

INF 15

REVENUES FOR TRANSPORTATION PROJECTS ARE INCREASINGLY INADEQUATE TO FUND NEEDED IMPROVEMENTS

ISSUE

Funding for transportation improvements is not keeping pace with the increasing demands from the growing number of people, vehicles, and goods that rely on California's transportation systems. Highways are deteriorating and congestion is causing increased

travel time. The state should increase transportation funding, expand the use of financing techniques, and increase flexibility to respond to the growing need to move people and goods safely and efficiently.

SOLUTIONS

- *Amend Article XIX of the State Constitution to: protect the deposit of the sales tax on fuels to the State Highway Account consistent with current law; set aside \$20 million per year for five years from Transportation Investment Fund to be deposited into the “Transportation Finance Bank;” and establish a major maintenance fund supported by 15 percent of the sales taxes on fuels available for transportation capital improvement projects.*
- *Remove Section 183.1 from the Streets and Highways Code to eliminate conflicts between this code section and amendments to Article XIX of the State Constitution.*
- *Develop and implement a pilot project to test the feasibility of implementing a user fee based on actual individual use of the transportation system for funding future operations, maintenance and improvements to the transportation system.*
- *Support Congress’ efforts to adjust the user tax on ethanol blend fuel to equal non-ethanol blend tax rates.*
- *Study how to increase the efficiency of moving goods and reducing congestion on both highways and railways.*

PUBLIC COMMENT

27 comments were received for this recommendation. 20 comments expressed support. 6 comments expressed opposition. 1 comment was neutral.

Pros

- To build and maintain a sound infrastructure system, it is imperative to protect existing infrastructure funding and explore new revenue options. Funds allocated or identified for transportation issues should be used for transportation.
- Without revenues tied to actual system usage, revenues will never meet the demands to improve our transportation system.
- Repealing Article XIX would make use of the non-Article XIX funding in the State Highway Account more flexible.

Cons

- The CPR recommends protecting the Proposition 42 revenue stream, but it is misleading in suggesting that this revenue is only for state highways.

- The sophisticated equipment and technology needed for any program that charges for miles driven will be more costly to run than any benefit received by switching to a different tax collection method.
- There may be no conflict between Section 183.1 and Article XIX of the California Constitution as stated in the recommendation. Article XIX restrictions apply only to fuel and weight tax revenues, not to funds in the State Highway Account.

Considerations

- The Transportation Finance Bank could increase its capitalization from \$3 million to \$103 million. However, the reason the Bank has not been utilized is the lack of resources to repay a loan. Loans are not a substitute for revenue. The real problem in the state is the lack of adequate revenues for transportation.
- Consider taxing vehicles at the time of vehicle registration based on weight and ongoing gas utilization. This approach would encourage fuel efficient vehicles, since they would have lower registration taxes based on weight, and lower ongoing costs due to less fuel consumption.
- California should closely monitor the Oregon Vehicle Miles Traveled (VMT) pilot project prior to reaching any conclusions for implementation. The real challenge of implementing a VMT fee will not be to find a technology to work with willing drivers, it will be to find a technology and fee that is fair and cannot be evaded.
- Since the future of toll roads in California has not yet been determined, the following guidelines should be part any toll road proposal: tolls should not be implemented on existing highway facilities and lanes since the public has already paid for them; there should be reasonable free alternatives to tolled facilities; and toll roads should be publicly owned and operated to protect the public interest.
- Allocation of any additional funding received by the state should consider the needs of local jurisdictions in general and rural counties in particular. While rural counties may not experience the congestion found on state highways in urban areas, future funding proposals must recognize that properly maintained local roadways in rural areas are vital to public safety and to the economic viability of local businesses.

INF 16

FEDERAL FUNDING FOR CALIFORNIA HIGHWAYS FALLS SHORT

ISSUE

California's taxpayers pay more taxes into the Federal Highway Trust Fund than they receive from the Federal Highway Administration for transportation projects. Congress reduces the amount of funds available to states for discretionary spending by withholding funds from distribution and earmarking them for specific projects. In addition, Homeland Security Funds provided by Congress have not been available for critical transportation system improvements to assure continued system use should a terrorist attack occur.

SOLUTIONS

- *Coordinate with local agencies to select (based on comprehensive planning) a list of high priority projects for earmarking by Congress.*
- *Identify sites and estimate the cost of improvements for lifeline routes that cannot be quickly reopened or for detours that cannot be quickly established in the event of an emergency.*

PUBLIC COMMENT

7 comments were received for this recommendation. 6 comments expressed support. 1 comment expressed opposition.

Pros

- The state needs to secure more of its federal dollars to help provide funding for California's highways and roads.
- Coordination of all transportation planning agencies is imperative. California needs to deliver a unified project program, with documentation to support the priorities of the transportation needs. As long as California projects a divided approach at the federal level, the state will continue to contribute more in federal taxes than it receives in the form of federal program funding.

Cons

- The recommendations have little to do with the primary reasons that federal funding falls short. One primary reason is that there has been no action to reauthorize the Federal-Aid Highway Program, which expired in September 2003. Funding remains at levels from the prior act, and appropriations have been limited to successive continuing resolutions.

- Homeland security does not justify the notion of additional federal funding for general transportation needs.

Considerations

- The recommendation on Congressional earmarked projects could be improved by specifying regional and state coordination on any project receiving these funds.
- The state should seek additional funding for its trade corridors of national significance.
- The state should seek special funding that is earmarked for the needs of locally maintained rural roadways.
- The federal government should surrender the gas tax for all programs and let the states decide spending priorities.

INF 17

INTEGRATE THE STATE'S INFRASTRUCTURE RESEARCH AND DEVELOPMENT PROGRAMS

ISSUE

California spends millions of dollars annually on infrastructure research programs without a strategic plan or coordination among responsible agencies. This fragmented approach hinders California's ability to solve its most critical infrastructure problems and fully leverage research dollars and ideas. Consolidating the state's infrastructure research programs would address these issues.

SOLUTIONS

- *Create the Office of Infrastructure Research and Development within the Business, Transportation and Housing Agency or its successor.*
- *Establish an Infrastructure Advisory Council to provide input and advice to the Office of Infrastructure Research and Development on a strategic plan for Infrastructure Research and Development.*
- *Partner with regional technology alliances and local economic development groups to review research concepts for commercial potential, before and after research is complete.*
- *Consolidate the administrative functions of the Office of Infrastructure Research and Development and make the following efficiency improvements: 1. Adopt one research contract with one overhead rate and one policy on intellectual property rights and royalty issues. Establish one invoicing process; 2. Consolidate and integrate the status of research and results into one database, using the California*

Energy Commission database as a model so additional costs are not incurred; 3. Negotiate with the Department of Finance to require a feasibility study report after the initial research is conducted and before any product is implemented instead of at the beginning of research; and 4. Work with the Department of General Services to develop a policy for sole source purchasing approval when there is only one vendor.

PUBLIC COMMENT

9 comments were received for this recommendation. 7 comments expressed support. 1 comment expressed opposition. 1 comment was neutral.

Pros

- Consolidation will have a positive effect on the way that research and development can support the activities of the Infrastructure Department and its divisions.
- These recommendations provide an avenue for the state to capture the experience and innovative methods that are available or could be available in the future. Many state contracting agencies are fully engaged in research and development processes and should continue to review and integrate techniques used in other jurisdictions.

Cons

- The consolidation of the transportation research and development programs with other research and development programs at the new Department of Infrastructure could be detrimental because transportation decisions could be made by individuals lacking a background in transportation.

Considerations

- The consolidated research and development entity should have a strong tie with policy makers.
- The proposed Infrastructure Advisory Council should capture the expertise of the industry by including industry representatives. Industry would be the partner responsible for recommending new technologies to the state.

INF 18

CONSOLIDATE AND COORDINATE STATE INFRASTRUCTURE PLANNING AND PROGRAMMING

ISSUE

Currently, the state's infrastructure planning and funding decisions are made in a disjointed fashion, which results in the potential for conflict between different state and local agencies, creates delays, increases cost, or fails to deliver projects at all. A consolidated state infrastructure planning organization should be created through the use of existing state boards, agencies, and departments to provide needed, timely, and cost-effective improvements to the state's infrastructure.

SOLUTIONS

- *Create an Office of Infrastructure Planning, Programming and Evaluation, that would provide the planning, budgetary, performance evaluation functions necessary to support coordinated statewide infrastructure planning and programming.*
- *Establish coordinated infrastructure policies, projects and budgets that are consistent with the priorities adopted by the Business, Transportation and Housing Agency or successor entity, by June 2006.*
- *Inventory current infrastructure facilities statewide by December 2005 that assesses the condition and determines the costs necessary to repair these assets to levels of performance that meet federal, state and community standards by June 2006.*
- *Coordinate state planning and programming functions to develop a prioritized, performance-driven statewide infrastructure plan by June 2006 linked to funding incentives.*
- *Provide a framework and incentives for local governments to engage in regional planning and comply with State General Plan Guidelines as adopted by the Business, Transportation and Housing Agency or its successor.*
- *Work in partnership with state resource, conservation and public safety agencies to ensure that their statewide planning and funding documents are integrated and infrastructure is provided in a timely and cost effective manner.*

INF 18

"Infrastructure is not something that you just decide to do and it's done within a year. It's a long-term program, it needs a long-term commitment, it needs a long-term vision."

Joan Borucki
CPR Team Leader
Infrastructure Team
CPR Commission Hearing

PUBLIC COMMENT

11 comments were received for this recommendation. 5 comments expressed support. 4 comments expressed opposition. 2 comments were neutral.

Pros

- Infrastructure planning needs to be done in concert with land use planning to find economic multipliers in connecting future job and housing alternatives to infrastructure options.
- A consolidated state infrastructure planning organization will help integrate and better coordinate all project development participants into one office.

Cons

- Retaining local land use is of critical importance to residents and local government officials; this proposal would diminish local autonomy over land use decisions and give greater control to state agencies.
- It is misleading to use the term “incentive” to refer to a link between general plan compliance and funding eligibility. Given the importance of state financial assistance to rural areas, the proposed incentive would in reality become a mandate on rural counties.
- The proposal to require state certification every five years may represent another encroachment on local land use authority by state government. Under this proposal, the state would have certification power over all seven mandatory elements of the general plan, as opposed to just the housing element as required by existing law.
- This recommendation appears more focused on centralized planning and control than on effectiveness of government. Better communication and coordination among agencies assigned different missions should be sought. Nothing in the report supports the conclusion that centralized control will make government more effective. Centralization of authority and control can stifle creativity and paralyze decision-making.
- The recommendation to comply with state general plan guidelines while engaging in regional planning appears to propose a shift away from the principles of SB 45, which transferred much of the responsibility for transportation planning and programming authority to local and regional agencies.

Considerations

- No testimony submitted.

INF 19

BETTER MANAGEMENT NEEDED FOR CALIFORNIA'S REAL ESTATE ASSETS

ISSUE

Fragmented, inadequate and inconsistent real estate asset and property management prevents the efficient and effective use of the state's real property. The state should create a public corporation to better manage its real estate asset and property management needs.

SOLUTIONS

- *Create a public corporation with responsibility for infrastructure planning, capital budgeting, fiscal controls, asset management, acquisitions, construction, maintenance, and sales.*
 - *Require every state agency to establish meaningful performance measures tied to its strategic objectives for its real property assets.*
-

PUBLIC COMMENT

5 comments were received for this recommendation. 3 comments expressed support. 1 comment expressed opposition. 1 comment was neutral.

Pros

- The state should catalogue its land ownership and control portfolio and consider how such land can be put to highest and best uses in regional plans. The state could consider contracting with other agencies or non-profit organizations to manage its land at its highest use and plan for future development.

Cons

- The recommendation may have misrepresented the University of California and the California State University systems space utilization efforts by suggesting that they are inefficient and that more than 100,000 additional students could be accommodated if space was used more efficiently.

Considerations

- Conservation agencies, including conservancies, should continue to manage and have ultimate responsibility for the protection of conservation lands.

- Natural resource lands, including park, recreation, conservation, and open space lands, should fall under the purview of the Resources Agency or its successor and not be treated as part of the proposed public corporation.

INF 20

DETERIORATING HIGHWAY QUALITY IS COSTLY FOR TAXPAYERS

ISSUE

California's transportation infrastructure is decaying nearly as quickly as the state's population is growing. Finite transportation resources have been increasingly directed to developing additional highway capacity, while available resources for protecting existing infrastructure have declined.

SOLUTIONS

- *Amend the State Transportation Improvement Program (STIP) guidelines to require that all projects identify full lifecycle costs.*
- *Establish performance measures that indicate the overall quality of the highway system and report them semi-annually to the California Transportation Commission (CTC).*
- *Develop a pilot program to evaluate the effectiveness of outsourcing highway and related facility maintenance.*
- *Partner with other states, and work with the California Congressional Delegation to support the reauthorization language that allows for privatizing roadside rest areas.*
- *Analyze various maintenance functions and determine if there are opportunities to consolidate or share facilities, equipment and resources.*

PUBLIC COMMENT

5 comments were received for this recommendation. 3 comments expressed support. 2 comments expressed opposition.

Pros

- The adoption of performance measures is critical to establishing reasonable and acceptable pavement warranty criteria that both the state and contracting industry can agree upon. Performance measures are also an invaluable tool for helping decision-makers prioritize maintenance and major construction decisions.

- The state should be able to privatize its rest stops because it would help raise revenues and would encourage tourism in the state.

Cons

- The report's characterization that maintenance projects lose out to capacity enhancement projects may be inaccurate. Both types of projects have seen resources decline and demand increase.
- The suggestion to pursue a federal exemption to allow the commercialization of the state's roadside rest areas is out of date since the program is not part of the current version of the federal Highway Authorization Bill.

Considerations

- Identification of life-cycle cost evaluation by Caltrans and local agencies in STIP proposals can be done without amending the STIP guidelines and is not likely to have an effect on the selection of projects since the CTC can only program those projects nominated by Caltrans or regional agencies.
- The Business, Transportation and Housing Agency has already assembled a Transportation Performance Measures Team, which has developed a comprehensive matrix of the highway system. This matrix should be the starting point for determining which areas should be controlled by the state and whether the department has the resources to deliver the work. A determination should be made whether any work should be outsourced. The agency should use National Quality Standards as a benchmark.
- Full lifecycle costs should be identified for transit as well as highway projects and analysis should concentrate on direct lifecycle costs.

INF 21

SUPPLY OF AFFORDABLE MULTI-FAMILY HOUSING IS INADEQUATE

ISSUE

Building affordable multi-family housing is more difficult and expensive than building market rate housing due to high home prices, governmental regulations, "Not In My Backyard" attitudes, and local zoning restraints. The state should take steps to address these issues to increase the supply of affordable multi-family housing to allow more people to afford homes.

SOLUTIONS

- *Promote pilot projects like the San Diego Self-Certification Project which authorizes local governments to self-certify their housing elements, without sending them to Department of Housing and Community Development. In the pilot project, local governments have to approve housing in accordance with housing production goals that match available resources.*
- *Create a State Lending Task Force to coordinate and streamline the funding application process for state-offered housing subsidies.*
- *Divert \$10 million per year from the Tax Credit Allocation Fee Account to a new multi-family housing model such as a REIT.*
- *Fund a six-month study to investigate and recommend the appropriate legal vehicle, composition, investment volume and establishment of a multi-family housing REIT or similar entity with the goal of investing in multi-family housing statewide for a reasonable rate of return.*
- *Require redevelopment agencies to spend their 20 percent set-aside for affordable housing within three years or forfeit the money to a dedicated affordable housing fund managed by the Business, Transportation and Housing Agency, or its successor.*

PUBLIC COMMENT

6 comments were received for this recommendation. 3 comments expressed support. 2 comments expressed opposition. 1 comment was neutral.

Pros

- By participating in the self-certification program, local governments can produce housing projects faster and save resources by approving housing elements that are in accordance with their locally established housing production goals.
- Expanding the self-certification process will provide a way to streamline the housing element process.
- The creation of a State Lending Task Force to create a single application for housing subsidies would streamline government and make it easier for the developers of affordable housing to access state subsidies.

Cons

- The self-certification pilot is misguided and, if implemented, will ultimately be harmful to the state without providing substantial public benefit because the state will not be part of the House Element certification process.

- The proposal to divert \$10 million per year from the Tax Credit Allocation Fee Account to a new multi-family housing model such as REIT, would be problematic because the General Fund has borrowed all but \$1.5 million from the Fee Account. In addition, the Fee Account is funded with fees charged to those who apply for tax credits. Its uses must have a nexus with the original purpose of the fee; developing more housing is not the purpose of the existing fee.
- The report may have misrepresented the percentage that Redevelopment Agencies spend on low and moderate income housing activities.

Considerations

- Need to explore funding options to create a permanent source of state funding for affordable housing.
- Rural counties should be included in the self-certification pilot projects created through this proposal. Rural counties would be good candidates for self-certification based on the slow pattern of development in many rural areas.
- The state needs to focus efforts on how to increase the production and supply of housing to keep up with demand.

INF 22

INFRASTRUCTURE SITING FOR ENERGY FACILITIES IS FRACTURED AND INEFFICIENT

ISSUE

Infrastructure siting for power plants in California is fractured and inefficient due to overlapping permitting authorities and lack of regulatory jurisdiction. The result has been delays in permitting for new electric power plants, transmission facilities, oil refineries, and other much-needed energy infrastructure. Recent legislation proposed assigning electricity transmission and electric power generation facility siting responsibility to the California Energy Commission.

SOLUTIONS

- *Combine all energy related infrastructure siting authority under one department within the Business, Transportation and Housing, or its successor. The consolidation would include functions from the California Energy Commission (CEC), the Public Utilities Commission (PUC) and expanded authorities to include the siting of petroleum infrastructure (refineries, tank farms, pipelines, and petroleum related marine facilities) and Liquefied Natural Gas (LNG) facilities.*

- *Require the CEC, or its successor, to charge applicants siting and compliance fees that reflect the actual costs of processing the application. These fees should be implemented after the siting entity completes a siting cost study.*

PUBLIC COMMENT

7 comments were received for this recommendation. 4 comments expressed support. 2 comments expressed opposition. 1 comment was neutral.

Pros

- Planning and siting require regional coordination to maximize efficiency.
- Consolidated siting jurisdiction over transmission and other energy utility projects could offer multiple advantages compared to the existing process.
- Consolidation and streamlining of energy facility siting could expedite permitting for a much needed investment in new energy infrastructure. This infrastructure is essential to maintaining and enhancing the reliability and cost-effectiveness of the services provided to California's electric and gas customers.
- A primary benefit of jurisdictional streamlining is that the need and benefits of large utility projects are determined only once, at the siting stage, and not subject to duplicative decisions or re-litigation at the ratemaking stage.

Cons

- The CEC fees should reflect the actual costs of processing the application. Since applications are taking longer to process, the current fee structure is not covering all costs associated with processing an application.

Considerations

- The CEC should facilitate this process.
- Regulatory reform should include specific proposals to assist regional coordination.
- The role of the California Independent System Operator was not adequately discussed in the proposed consolidation.

- Approval of power plan projects should be done by local boards, the CEC does not need to approve local projects.
- According to the report, the CEC process is 12 months. However, when applications cannot be processed in that timeline, the CEC has the applicant sign a waiver that releases them of their timeframe or the CEC rejects the request.
- Although not discussed in the report, any proposal that transfers the authority to issue permits that is now vested with a local government to a state agency would need to be closely examined.

INF 23

ENERGY CONSERVATION, EFFICIENCY HAVE NOT ACHIEVED FULL POTENTIAL

ISSUE

Energy conservation, efficiency, and peak reduction programs have not achieved their full potential because of the absence of a clear and unified state conservation-efficiency-peak reduction policy. These programs are sponsored by a variety of state agencies and offered by utilities and third-party providers, through programs that are often duplicative and whose cost-effectiveness is not well demonstrated.

SOLUTIONS

- *Consolidate all energy planning and policy development and implementation under one organization within the Business, Transportation and Housing Agency, or its successor.*
 - *Adopt a state policy goal for conservation/energy efficiency.*
 - *Implement conservation and energy efficiency programs for state-owned and operated facilities including the University system to reduce consumption by 20 percent using 2003 for a benchmark.*
 - *Adopt a state policy of promoting peak load management through conservation and energy efficiency and demand reduction measures.*
 - *Adopt a state policy of financing conservation and energy efficiency and demand reduction projects financed through savings by December 31, 2005.*
 - *Shift a portion of Public Goods Charge funding from motivational, grant, and buy down programs to fund energy loan programs such as the Green Bank. A suggested amount is \$40 million per year for five years.*
-

PUBLIC COMMENT

6 comments were received for this recommendation. 3 comments expressed support. 1 comment expressed opposition. 2 comments were neutral.

Pros

- Demand reduction programs will be of greatest benefit to the state. Energy at peak load demand is the most expensive. By reducing peak load demand, energy costs should decline.
- Efforts need to be made to maximize energy conservation, efficiency, and peak reduction programs to reduce energy costs at public facilities.

Cons

- Specific discussion in opposition to this recommendation was not received.

Considerations

- It should be a priority of any comprehensive statewide energy agency to work with local government in order to establish state and local standards and procedures that work in concert with one another.

INF 24

TRANSPORTATION HAMPERED BY UNHEALTHY FUEL MARKET

ISSUE

California's fragile and uncompetitive transportation fuel market is an impediment to the productivity of its citizens, business, and government. Inflexible federal and state regulation mandated the exclusive use of special boutique fuels. This improved air quality, but contributed to high prices and unhealthy market behavior. The state has no coordinated fuel strategy and does not effectively encourage the development of alternatives.

SOLUTIONS

- *Consolidate the current fuel strategy efforts from the 17 different departments affecting fuel into one single entity focused on delivering a comprehensive fuel strategy for California.*
- *Consolidate existing incentive programs and consider federal, state and local funding sources to provide grants for research and pilot projects to support the development of emerging fuels and related technologies.*

PUBLIC COMMENT

1 neutral comment was received for this recommendation. No supporting or opposing comments were received.

Pros

- No testimony submitted.

Cons

- No testimony submitted.

Considerations

- California Reformulated Gasoline (RFG) standards have led to reduced emissions, increased health, and helped set national and international goals for cleaner air. The discussion of boutique fuels gives the impression that CPR favors weakening California's stringent RFG standards.
- It is doubtful that emerging fuels would meet either the statutory or constitutional standard for the appropriate use of the Carl Moyer funds.

INF 25

CONSOLIDATE THE RATEPAYER ADVOCACY AND PUBLIC PARTICIPATION PROGRAMS AT THE PUBLIC UTILITIES COMMISSION

ISSUE

Two offices within the California Public Utilities Commission—the Office of Ratepayer Advocates (ORA) and the Office of Public Advisor (OPA)—provide assistance to individuals and groups who want to participate in Public Utilities Commission (PUC) proceedings. In addition, both offices advise the Commissioners on the consequences to ratepayers of Commission decisions, and work to eliminate barriers to public and ratepayer advocacy on matters pending before the Commission. This results in costly, duplicative effort.

SOLUTIONS

- *Consolidate ORA and OPA to eliminate conflicts, duplication and excessive costs. This action would merge two PUC offices that are mandated to advocate on behalf of ratepayers, and eliminate duplication of their advocacy efforts.*
-

PUBLIC COMMENT

1 comment was received in support of this recommendation. No opposing or neutral comments were received.

Pros

- Consolidation of these programs should help avoid duplication of effort and unnecessary expense on the part of the PUC, as well as the utilities that are subject to its jurisdiction.
- The consolidated office should be better positioned to quickly identify and pursue significant ratepayer issues such as the protection and availability of Proposition 50 bond funding for utility customers.

Cons

- No testimony submitted.

Considerations

- No testimony submitted.

INF 26

"We support efforts to ensure that the building codes adopted for our state provide a high level of public safety and efficiency with the broadest acceptability by local building officials, construction experts, and practitioners."

Yvonne Hunter
Legislative Representative
League of California Cities
Written Testimony

INF 26

BUILDING STANDARDS ADOPTION REFORM

ISSUE

The state's process for approving building standards and selecting model codes is disjointed and lacks adequate oversight from the California Building Standards Commission. The state should develop a process for selecting a building "model code" that is based on objective criteria.

SOLUTIONS

- *Eliminate the California Building Standards Commission (CBSC) and transfer all of its staff, authorities, budget, and responsibilities to a new office within the State and Consumer Services Agency or its successor.*
- *Transfer the code development sections of the State Fire Marshal, the Division of the State Architect, the Department of Housing and Community Development, and the Office of Statewide Health Planning and Development, or their successors, to the State and Consumer Services Agency or its successor.*
- *Establish objective criteria and a process for selecting a model code for building standards for California.*
- *Commission a study to determine the economic and industry impacts of selecting the National Fire Protection Association code known as the NFPA 5000, to be completed by June 2005.*

PUBLIC COMMENT

10 comments were received for this recommendation. 4 comments expressed support. 6 comments expressed opposition.

Pros

- The process for selecting a model building standards' code in California should be based on objective criteria.
- NFPA 5000 has no technical basis. It is used by only one other public entity in the country.
- The CBSC lacks technical experience, has a track record of inefficient oversight, and should be eliminated.
- NFPA 5000 was opposed by over 400 public and private sector entities. Several state agencies, along with these 400 entities, indicated their strong desire to use the International Building Code, the code that is used throughout the nation.

Cons

- The CBSC should not be eliminated. For the past decade, the CBSC operated with predictability, interacted with the public and the design and construction industries, and protected the public's interest. As stated in the report, for the last three years, the CBSC was mired in political controversy regarding the selection of the Commissioner as well as the selection of the unpopular NFMA 5000. This should not be the reason to eliminate the CBSC.
- The recommendation may have misrepresented opposition to the code, as well as the identified problems and deficits in NFPA 5000.
- The report may have misrepresented the process in which the CBSC adopted model building and fire codes developed by NFPA as the basis for statewide building and fire codes in California.

Considerations

- Key stakeholders such as the California Fire Chiefs Association and the California Metropolitan Fire Chiefs Association were not contacted during the development of this CPR recommendation.

INF 27

SHIFT RESPONSIBILITY FOR RAILROAD SAFETY AT ROADWAY CROSSINGS TO CALTRANS

ISSUE

The California Public Utilities Commission is statutorily responsible for prioritizing and approving projects that involve at-grade and separated-grade rail crossings of state and local roadways. The California Department of Transportation reviews and administers the project contracts. Overlapping responsibilities between Public Utilities Commission and Caltrans complicate the process for local agencies.

SOLUTIONS

- *Shift (Section 130 program) responsibilities from the California Public Utilities Commission (PUC) to the California Department of Transportation, or its successor.*
- *Eliminate PUC's responsibilities for review, approval and prioritization of project applications for grade separation rail crossing projects (Section 190 program), and to amend the Streets and Highways Code to stipulate that such projects are to be implemented as a competitive process within the State Transportation Improvement Plan and the State Highway Operation and Protection Program.*

PUBLIC COMMENT

3 comments were received for this recommendation. 2 comments expressed support. 1 comment expressed opposition.

Pros

- Placing public transit rail safety responsibilities within Caltrans is a logical extension of transportation engineering expertise that exists at Caltrans.

Cons

- This recommendation addresses and appears to confuse two separate issues, the regulatory and safety function now assigned to the PUC and the funding decision-making and administration functions now split between the PUC, Caltrans, and the California Transportation Commission.

Considerations

- No testimony submitted.

INF 28

WATER, PARKS AND WILDLIFE BOND IMPLEMENTATION IS INEFFICIENT

ISSUE

High overhead and administrative costs impact the effectiveness of water, parks and wildlife bond programs. Consolidating the administration of these programs would lower their administrative costs and increase their efficiency.

SOLUTIONS

- *Centralize the policy and administration of the grant program aspects of the existing Proposition 12, 13, 40, and 50 programs into a single division within the Resources Agency, or its successor.*
 - *Direct the departments with technical expertise in the areas that are named in the various bond initiatives to loan staff to the newly created division to assist in setting criteria and reviewing proposals.*
-

PUBLIC COMMENT

15 comments were received for this recommendation. 6 comments expressed support. 8 comments expressed opposition. 1 comment was neutral.

Pros

- The consolidation of the bond programs will provide the needed purpose, consistency, and commonality of goals to get public support for future bond measures.
- Because of the ongoing need for funding for water projects, there is a need to schedule the issuance of water bonds on a regular basis.
- Competition for bond funds brings out the best projects.
- By consolidating administrative functions, the lower administrative costs will free up additional funds that can fund additional projects.

Cons

- Redirecting staff to the centralized Sacramento bond decision-making official does not make up for the lack of an accountable decision-making process.
- Experience has shown that a centralized bureaucracy in Sacramento may not make decisions that are highly sensitive to local conditions

and resources. Such a sensitivity and knowledge of local conditions is essential to making correct bond act allocation decisions consistent with Propositions 12, 13, 40, and 50.

- Centralizing the policy and administration of the grant program aspects of park and water bonds into a single finance division may not result in better projects or improve efficiency.
- Grant administrators develop an understanding of the type of projects that are awarded grants from each bond fund; this expertise enables grant administrators to be aware of past mistakes, as well as build institutional memory of the state's conservation efforts. The recommendation to consolidate all the bond funded grant programs does not take into consideration the specialization of grant administrators.
- The consolidation of bond programs would deprive the state parks of a vital source of information about the needs of parks systems and their users statewide.
- The proposed changes would delay, rather than speed-up, the distribution of remaining Proposition 40 funds.

Considerations

- The Department of Conservation has done an excellent job with the contract and disbursement process for the Water, Parks, and Wildlife Bond.

INF 29

FLOOD DISASTER AVOIDANCE

ISSUE

The state is facing significant expenditures in the future to repair levees, handle flood emergencies, and compensate flood victims. To minimize future emergency and disaster relief expenditures, the state needs to prepare a realistic strategy and financial plan for dealing with its aging flood control infrastructure and the needs of a growing population and economy.

SOLUTIONS

- *Develop a new strategy and financing mechanism to manage the state's responsibility for flood control infrastructure, and to carry out the recommendations of the Floodplain Management Task Force.*

- *Continue to enhance programs and incentives to reduce the amount of building in designated floodways and flood plains and to educate the local communities about the hazards of ignoring flood potential.*
 - *Reaffirm, through funding and regulatory decisions, state policy that flood plains are appropriate for greenbelts, parks, open space, and fish and wildlife habitat.*
 - *Have the California Bay-Delta Authority give priority to projects that incorporate multi-purposes, including set-back levees or levee rehabilitation for flood protection in conjunction with habitat restoration, as soon as practicable.*
 - *Expand the availability of other web-based, flood risk mapping and display tools to public and local decision-makers. State matching funds should be provided where there are federal funds available. There are funds available from the Federal Emergency Management Agency for flood plain mapping under the five-year National Map Modernization Program.*
-

PUBLIC COMMENT

10 comments were received for this recommendation. 7 comments expressed support. 1 comment expressed opposition. 2 comments were neutral.

Pros

- Prevention of flood damages through the type of multi-benefit flood management actions referenced in the CPR could save the state billions of dollars.
- The multi-objective flood control projects recommended in the CPR report are positive, provided that the principle objective of these projects remains the protection of life and property from flooding.
- The need for such flood planning is underscored by the predictions of greater magnitude and frequency of flood events due to the effects of global warming.
- The most effective tool to improve the understanding of the need for better flood security and encourage flood insurance and other self-help measures is to expand the awareness of flood risk.

Cons

- Flood control structures have significant environmental impacts. Flood plain management should include ecosystem considerations as well as flood control and water supply issues.

Considerations

- Floodplains can be used as green belt areas as well as for agriculture. However, the state needs to recognize that providing for fish and wildlife habitat without any growth of vegetation and brush or the growth of encroachments can lead to a reduction in flood storage or carrying capacity.
- Local government must be actively involved in the preparation of such a plan to ensure that proposals are consistent with the needs and priorities of impacted cities and counties and to further ensure that the financial plan is reflective of the limited resources available to local government agencies.
- Expand the recommendation on flood hazard to include areas characterized by more intense flood hazards, sediment and debris movement, and fire-flood sequence effects. For example, the highest future population growth rates are in Riverside, San Bernardino, Imperial, and San Diego Counties, which are susceptible to fire-flood sequence effects.
- It is important to note that merely identifying the need to comprehensively address interrelated issues floodplain development, ecosystem restoration, inadequate flood protection, and related issues will not solve the problem.
- The recommendations overlook the need to fund the backlog of work essential to achieve an adequate level of maintenance and the need to bring the existing system up to current engineering standards so as to provide the anticipated level of public safety.

INF 30

"Agencies should be free to pursue, within appropriate limits, their own solutions—both internal and external to the provision of real estate related services."

The Santa Monica
Mountains Conservancy
Written Testimony

INF 30

RELEASE STATE DEPARTMENTS FROM THE REAL ESTATE SERVICES MONOPOLY

ISSUE

The state's real property purchasing, leasing, management, construction, maintenance, and operations processes are more costly and time consuming than the private sector. Increasing agency and program responsibility and accountability by removing existing barriers, such as the Department of General Services' real estate service monopoly, would improve program delivery and reduce costs.

SOLUTIONS

- *Delegate certain real estate authorities to all departments by June 1, 2005, allowing them to choose their real estate service providers from a selection of pre-approved internal or external organizations.*
-

PUBLIC COMMENT

4 comments were received for this recommendation. 1 comment expressed support. 3 comments expressed opposition.

Pros

- Agencies should be free to pursue, within appropriate limits, their own solutions for real estate related services.

Cons

- The recommendation to allow state departments to choose their real estate service provider without coordinating with a single state entity would foster unnecessary competition between state agencies for space.
- The state should partner with the federal government on procurement of real property to gain significant leverage. This recommendation may dilute the state's leverage by allowing each department to acquire real property individually.

Considerations

- No testimony submitted.

INF 31

ONE-STOP SHOP FOR SCHOOL FACILITY APPROVAL

ISSUE

The state's multi-billion dollar investment in local school buildings involves a cumbersome, duplicative, and time-consuming multi-agency approval process that fails to review important elements of the projects. The state needs a facility approval process that ensures the safety and financial security of school sites and construction, without delaying or adding cost to a project.

SOLUTIONS

- *Consolidate all parts of the school site, facility and financial review and allocation process into the State and Consumer Services Agency (SCSA), or its successor, and the process should be reduced to funding eligibility and allocation, site and building code compliance and a financial audit.*
- *Develop and implement a certification process for private and public entities that school districts could use, optionally, for site, environmental hazards review, plan check and financial audits. This process should be operating by January 1, 2006.*
- *Publish environmental hazards standards for school sites and implement a streamlined site review process for existing sites by July 1, 2006.*
- *Implement an online project approval program to begin operating by July 1, 2006.*
- *Provide leadership on school facility issues, develop a thorough facility-training program and provide technical assistance and advice for district staff and other facility stakeholders.*

PUBLIC COMMENT

13 comments were received for this recommendation. 8 comments expressed support. 5 comments expressed opposition.

Pros

- The consolidation of the 40 state and local entities that can be involved in school construction into one division should greatly improve the school facility approval process.
- The streamlining of the school facility approval process should help districts provide safe, modernized classrooms while reducing the steps, time, and cost it takes to construct new facilities.

Cons

- The existing school facility approval process does not need to be changed, it is successful.
- The Division of the State Architect should increase its staff rather than rely on outside contractors to condense total approval time to 90 days.
- The school site cleanup program operates extremely well as part of the Department of Toxic Substances Control's (DTSC) sites cleanup program and has benefited from the technical resources in other disciplines. Oversight of the investigation and remediation of potential contamination at school sites requires the same expertise and skills

as overseeing such activities at any other site. Separating the staff who oversee school site cleanups from all other site cleanup will only weaken expertise and reduce flexibility to efficiently allocate staff resources

Considerations

- Any reorganization plan needs to include the DTSC standards, alternative environmental review, increased self-certification, and a return to the SB 50 intent in order to have significant program delivery improvement.

INF 32

MANAGEMENT OF THE DEPARTMENT OF TRANSPORTATION'S PROJECTS NEEDS TO IMPROVE

ISSUE

Caltrans' ineffective project management, along with fluctuating staffing for highway improvements, has resulted in project delays, higher costs, and unhappy customers.

SOLUTIONS

- *Develop a work plan for completing the implementation of project management in project delivery by December 31, 2004.*
 - *Develop a plan to stabilize project delivery staff levels by December 31, 2004. Initial implementation of the plan will coincide with Fiscal Year 2005-2006.*
-

PUBLIC COMMENT

9 comments were received for this recommendation. 7 comments expressed support. 2 comments expressed opposition.

Pros

- Caltrans should have the flexibility to staff projects according to the needs of each project. The best and brightest and most experienced engineers should be assigned to the most difficult projects. These engineers should be empowered to respond to contract change orders, which should minimize conflict, delays, and cost over-runs.
- Project management decisions should be made at the lowest appropriate level, and Caltrans managers should be provided the project management tools they need.

Cons

- The recommendations appear mutually incompatible. A better approach would be to use the most qualified staff available, whether in-house or consultants.
- The appropriate split of workload between in-house and consultant staffing should not be based on a distinction between the interregional and regional program shares within the State Transportation Improvement Plan.

Considerations

- The report needs to address the authority to assign resources within Caltrans.
- The recommendations should require Caltrans to fully implement Proposition 35.

INF 33

IMPROVE SCHOOL FACILITY STANDARDS

ISSUE

California state government has no process for assessing whether its significant investments in public school construction are providing the best value for taxpayers. Current facility standards do not ensure that buildings are adequate, safe, and economical, or that they represent the best value over the life of the facilities. The state must develop an inventory of educational facility needs and conditions to enable the development of sound policy decisions about resource allocation. Additionally, the state must develop construction and maintenance standards that will ensure school facilities provide high performance educational environments.

SOLUTIONS

- *Require school districts to meet design standards equivalent to the Collaborative for High Performance Schools and Leadership in Energy and Environmental Design criteria.*
- *Provide training and resource documents to assist school districts in choosing building products and systems that represent the lowest lifecycle cost. The Department of General Services, or its successor, should establish lifecycle cost criteria for use in evaluating projects and construction materials by July 1, 2005.*
- *Develop an inventory of K-12 educational facilities conditions and needs, and a process for districts to file online submissions to the inventory.*
- *Allow direct intervention into school districts that consistently show an inability to maintain their facilities.*

PUBLIC COMMENT

2 comments were received in support of this recommendation. No opposing or neutral comments were received.

Pros

- The demand for new schools presents the state with an opportunity to design and build environmentally friendly or green classrooms. These classrooms save money because of their lower operating and maintenance costs and boost the productivity, health, retention, and well being of students and staff.

Cons

- No testimony submitted.

Considerations

- The Collaborative for High Performance Schools (CHPS) is effectively the California schools version of Leadership in Energy and Environmental Design (LEED); the state should require that schools meet LEED standards in addition to CHPS.

INF 34

CREATE A MECHANISM FOR FLEXIBLE, RELIABLE SCHOOL FACILITY FINANCE

ISSUE

The current K-12 school facility funding program does not provide school districts reliable funding for planning and building quality facilities. The current process is so complex that districts have begun to rely upon consultants in order to receive funding. The state needs a process to assist school districts with meeting facility needs, while providing the security of reliable funding and the flexibility for using funds to meet each districts unique need.

SOLUTIONS

- *Complete a study of the cost and benefits of switching to an annual per-student allocation from the General Fund by December 2005.*
 - *The school construction program should have a solid and steady income stream that can be depended upon to fund projects as they are ready.*
-

PUBLIC COMMENT

4 comments were received for this recommendation. 3 comments expressed support. 1 comment expressed opposition.

Pros

- It is important to provide sufficient funding for the maintenance of schools.

Cons

- The existing system of financing school facilities is working well and does not need to be changed.

Considerations

- Implement per-pupil annual funding only after the construction and maintenance backlog is eliminated. As an alternative, per-pupil funding could be implemented with concurrent efforts to meet the backlog needs. Per-pupil funding should not be the major focus as long as inequities in facilities exist.

INF 35

EARLY INTEGRATION OF INFRASTRUCTURE AND RESOURCE PLANNING NECESSARY

ISSUE

The lack of coordinated infrastructure planning between state, federal, and local governments results in conflicts between development and conservation of natural resources, and increased infrastructure project cost and delay. If California had a coordinated process to consider environmental decision-making earlier in the planning process, and merge that decision making with local general plans, the state could streamline project delivery and more effectively protect the environment.

SOLUTIONS

- *Create a State Plan Coordination Council consisting of the Governor's Cabinet members or their representatives and appoint the Secretary of Business, Transportation and Housing to be the chair of this council.*
- *Direct state agencies to implement an interagency issue resolution process.*
- *The Resource Agency and the Business, Transportation and Housing Agency or their successors will write a policy framework that allows infrastructure providers to collaborate with resource agencies early in the planning process to identify and commit to mitigation.*
- *The Resource Agency and Business, Transportation and Housing Agency or their successors should work together to streamline CEQA and other permitting processes to expedite project delivery.*

- *The Business, Transportation and Housing Agency or its successor, in partnership with local government, will provide plans that include incentives for infrastructure projects and services to existing communities to support development that uses existing land within the community to its highest use and growth contiguous with established urban boundaries.*
-

PUBLIC COMMENT

8 comments were received for this recommendation. 6 comments expressed support. No comments expressed opposition. 2 comments were neutral.

Pros

- The creation of a State Plan Coordination Council would expand the effort started under the Tri-Agency partnership.

Cons

- No testimony submitted.

Considerations

- The State Plan Coordination Panel should contain representatives appointed by the Assembly and the Senate. This would allow for the broadest range of input, but still allow the Governor to set policy.
- The Governor's Office of Planning and Research should coordinate CEQA documents for the state.
- The report did not seem favorable to the California Environmental Quality Act (CEQA) process and may have misrepresented the CEQA and the National Environmental Policy Act as burdensome and confusing.

INF 36

INFRASTRUCTURE IS NECESSARY FOR ECONOMIC DEVELOPMENT

ISSUE

Maintaining California's existing infrastructure assets while developing new infrastructure to meet the state's growing needs is vital to continue California's economic growth, and to attract and retain businesses.

SOLUTIONS

- *The Business, Transportation and Housing Agency, or its successor, should establish a single-point-of-contact for business that is empowered to negotiate infrastructure issues on behalf of the state. The organization would be similar to the “Red Teams” used by Governor Pete Wilson’s administration.*
- *The Business, Transportation and Housing Agency, or its successor, through adoption of policy should provide priority funding or financing tools for joint-use, public-private infrastructure plans and projects;*
- *The Business, Transportation and Housing Agency, or its successor should develop, in partnership with local government, funding mechanisms for infrastructure for economic development;*
- *The Business, Transportation and Housing Agency, or its successor, should work with the private sector to adopt policy to take advantage of opportunities to maximize the performance of the state’s infrastructure;*
- *The Business, Transportation and Housing Agency, or its successor, should perform a cost/benefit analysis on location of infrastructure in relation to economic development in communities to ensure that infrastructure investments support business investment in the state; and*
- *The Resources Agency and the Business, Transportation and Housing Agency, or their successors, should identify and implement ways to improve environmental and permitting processes for infrastructure, and seek to strengthen technical assistance to private sponsors on CEQA and other environmental reviews.*

PUBLIC COMMENT

5 comments were received for this recommendation. 3 comments expressed support. 1 comment expressed opposition. 1 comment was neutral.

Pros

- The various departments should be held accountable for coordinated efforts to deliver projects. From the time the concept of a project is approved, there needs to be a steadfast timeline for completion for which everyone is held responsible and accountable.
- The state should focus on developing additional mechanisms for funding infrastructure investments and assisting with local economic development efforts.

Cons

- This recommendation seems to focus on providing assistance to individual businesses for projects in particular locations, at a time when the state is badly neglecting its larger need to provide the resources to maintain and develop its infrastructure systems.
- State transportation funds should not be used to favor individual businesses without benefit to the community at large nor should assistance favor one part of the state over another.

Considerations

- The proposed single point-of-contact to negotiate agreements on infrastructure projects should only serve in an advisory capacity.

INF 37

STREAMLINE THE ENVIRONMENTAL REVIEW PROCESS TO DISCOURAGE SPRAWL AND REVITALIZE OLDER DEVELOPED URBAN AREAS

ISSUE

Many California urban centers have vacant and underutilized land surrounded by sprawling suburbs. Sprawl is costly in terms of infrastructure and public service costs, congestion, and loss of open space. Attempts to encourage revitalization of older, developed urban areas as an alternative to sprawl are thwarted in part by the state's environmental review process. The environmental review process should be streamlined to encourage new development on vacant, underused land in developed urban areas.

SOLUTIONS

- *Amend the Public Resources Code to exempt from further environmental review, infill and mixed-use development projects that are consistent with local government General Plans and accompanying Master Report for older developed urban areas.*
 - *Support local infill development through state policies, plans and investments.*
-

PUBLIC COMMENT

10 comments were received for this recommendation. 3 comments expressed support. 7 comments expressed opposition.

Pros

- While the environmental review process should be streamlined to encourage new development in urban areas, policies should be reformed to encourage the production of housing in all areas.
- The recommendation to support local infill development through state policies, plans, and investments is superior to the recommendation in INF 18 to provide a framework and incentives to engage local governments in regional planning and comply with state General Plan guidelines.

Cons

- The proposals in the CPR would drastically curtail California Environmental Quality Act (CEQA) review without eliminating other, more significant barriers to infill or putting policies in place that effectively foster infill and reduce sprawl.
- This recommendation would harm the environment and reduce public participation in urban areas while allowing sprawl to proceed unchecked.
- The exemption is narrowly tailored to apply to small infill projects for which environmental impacts are almost certain to be minimal. The CEQA exemption should not be eliminated.
- Environmental reviews do not prevent infill and encourage sprawl. The recommendation overlooks that environmental reviews done for general plans rarely go into sufficient detail to provide coverage for specific development projects.
- CEQA has protected cities from mega warehouses.

Considerations

- To discourage sprawl, the state should look at broader reform including reforming Proposition 13 to change the way revenues are distributed in the state.

INF 38

LENGTHY HOSPITAL CONSTRUCTION APPROVALS ARE IMPACTING PATIENT CARE

ISSUE

The Office of Statewide Health Planning and Development (OSHPD) has a large amount of hospital retrofitting and rebuilding projects in their building plan approval program. OSHPD expects with current staff that the time to finish the review of some of these projects could take as long as two years.

SOLUTIONS

- *Finish the initial review of complete applications in the current queue within 90 days or 90 days after the submission date of new projects.*
 - *Establish an approval process for outside entities to be eligible to be used as independent plan reviewers and for OSHPD to finish review of these independent reviewer-approved plans within 90 days of submittal to OSHPD.*
 - *Perform a business process review, by March 31, 2005, on how the OSHPD hospital plan review, area compliance and inspection of hospital buildings can meet the intent of the state's Hospital Facilities Seismic Safety Act (HFSSA) while taking into consideration the state's goals for economic development and improved patient care.*
-

PUBLIC COMMENT

8 comments were received for this recommendation. 7 comments expressed support. 1 comment expressed opposition.

Pros

- The recommended 90-day OSHPD review period is critical for this recommendation to be effective. The challenge will be for OSHPD to hire and train new staff fast enough to clear the backlog in 90 days.
- The proposed streamlined project review process should speed up the pre-construction process, get more construction projects into the pipeline sooner, and reduce project costs.

Cons

- Specific discussion in opposition to this recommendation was not received.

Considerations

- OSHPD's process can be expedited if the independent review is conscientiously completed. To ensure the reviewer does a complete job, some financial penalty should be imposed for those who fail to do their assigned work.

Infrastructure

ADDITIONAL COMMENTS, ISSUES, AND IDEAS

Overview

The public review process provided some important perspectives on the findings and recommendations contained in the Infrastructure chapter of the CPR report. Public input was not limited to the content of the report and introduced new ideas that build upon the CPR's recommendations. This section presents these new issues and ideas related to Infrastructure.

Alternative Energy Sources

- The state should explore more solar electric generation. The Mojave Desert is a massive area that could supply free solar radiation to produce usable energy for the state. Use more solar voltaic panels to absorb solar rays that develop a direct current output that can be stored in batteries and capacitors.
- As an agricultural state that produces massive by-products of manure and vegetable matter, the state could use the by-products to produce anaerobic digestion for the generation of Methane gas. Garden cuttings that are discarded in landfills could also be used to contribute to the generation of Methane gas.
- Wind power generation needs to become more widespread throughout the state as a source of energy.
- Encourage greater conservation efforts within the state to decrease the dependence on electricity. Suggestions include the use of energy saving facilities, energy saving lights, insulation, thermal shields on windows, reducing heating and air condition usage.
- Use recycled vegetable oil to supply diesel engines for the production of electricity, instead of fossil fuels.
- Use the University of California as think tanks to help solve problems to benefit the future of the state. Have competitive challenges

between the campuses on topics such as, salt water conversion to fresh water or new efficient engine design and concepts.

General

- Provide two distinct career paths within Caltrans: one for Management and one for Engineers. Those who wish to continue to engineer should have the opportunity to do so and should have the expectation of being fairly compensated and recognized without the requirement to enter management.
- A potential costs saving measure to the state could exist with the production of license plates. In Utah, license plates belong to the owner of a vehicle. When selling or purchasing a new vehicle, the old plates transfer to the new vehicle with the owner. By utilizing this technique in California, the state could cut down the production of license plates. In addition, the state could eliminate the front license plate on cars in California.

Transportation/Transportation Funding

- Public transportation was not explored in the CPR. California needs to develop a statewide integrated public transportation system that allows people to live, work, and travel without having to rely on an automobile.
- As part of the transportation allocation under SB 45, each region should be able to program some of their own money into a fund for the completion of project study reports.

Water

- Protect the state's groundwater supply by assessing the use, management, and inventory of the state's groundwater.